

AMENDED IN ASSEMBLY APRIL 6, 2005  
AMENDED IN ASSEMBLY MARCH 31, 2005  
CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 837**

**Introduced by Assembly Member Benoit**

February 18, 2005

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An act to amend Section 106 of, and to add Section 10110.5 to, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 837, as amended, Benoit. Health insurance: unemployment.

~~Existing law excludes certain kinds of insurance coverages from being considered health insurance for the purposes of the provisions of law regulating insurance.~~

~~This bill would exclude insurance arising out of an unemployment or similar law from being considered health insurance. The~~

*Existing law regulates the issuance of life insurance policies, as specified.*

*This bill would authorize an insurance policy issued by an admitted life and disability insurer to contain a provision for a waiver of premium payments in the event of involuntary unemployment of the insured. The bill would require an insurer issuing policies containing the waiver provision to establish reserves and file reports that the Insurance Commissioner may require.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 106 of the Insurance Code is amended~~  
2     ~~to read:~~

3     ~~106. (a) Disability insurance includes insurance appertaining~~  
4     ~~to injury, disablement or death resulting to the insured from~~  
5     ~~accidents, and appertaining to disablements resulting to the~~  
6     ~~insured from sickness.~~

7     ~~(b) In statutes that become effective on or after January 1,~~  
8     ~~2002, the term "health insurance" for purposes of this code shall~~  
9     ~~mean an individual or group disability insurance policy that~~  
10    ~~provides coverage for hospital, medical, or surgical benefits. The~~  
11   ~~term "health insurance" shall not include any of the following~~  
12   ~~kinds of insurance:~~

13    ~~(1) Accidental death and accidental death and dismemberment.~~

14    ~~(2) Disability insurance, including hospital indemnity,~~  
15    ~~accident only, and specified disease insurance that pays benefits~~  
16    ~~on a fixed benefit, cash payment only basis.~~

17    ~~(3) Credit disability, as defined in subdivision (2) of Section~~  
18    ~~779.2.~~

19    ~~(4) Coverage issued as a supplement to liability insurance.~~

20    ~~(5) Disability income, as defined in subdivision (i) of Section~~  
21    ~~799.01.~~

22    ~~(6) Insurance under which benefits are payable with or without~~  
23    ~~regard to fault and that is statutorily required to be contained in~~  
24    ~~any liability insurance policy or equivalent self-insurance.~~

25    ~~(7) Insurance arising out of a workers' compensation,~~  
26    ~~unemployment, or similar law.~~

27    ~~(8) Long-term care.~~

28    ~~SEC. 2.~~

29    ~~SECTION 1. Section 10110.5 is added to the Insurance Code,~~  
30    ~~to read:~~

31    ~~10110.5. A policy issued by an admitted life and disability~~  
32    ~~insurer may contain a provision for a waiver of premium~~  
33    ~~payments in the event of involuntary unemployment of the~~  
34    ~~insured. Insurers issuing policies which contain that provision~~  
35    ~~shall establish any additional reserves and file any additional~~  
36    ~~financial reports that the commissioner may require.~~

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